

68097



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 1st day of December, 1999

Served: December 3, 1999

Essential Air Service at

**CEDAR CITY, UTAH
VERNAL, UTAH**

under 49 U.S.C. 4173 *et seq.*

Docket OST-97-2706 - 4

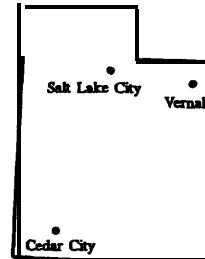
ORDER REQUESTING PROPOSALS

Summary

By this order we are requesting proposals from carriers interested in providing essential air service at Cedar City, Utah.

Background

By Order 97-7-12, issued July 11, 1997, SkyWest Airlines, Inc. (SkyWest) was reselected to continue providing essential air service at Cedar City (as well as Vernal, Utah) for an additional two-year period. SkyWest's subsidy for Cedar City was set at an annual rate of \$577,538 for the period December 28, 1997, through December 27, 1999, for three nonstop round trips each weekday and over each weekend period between Cedar City and Salt Lake City with 30-seat Embraer Brasilia aircraft.



SkyWest's two-year rate term expires on December 27, and at this juncture our normal procedure would be to invite the incumbent carrier to submit a proposal to continue providing essential air service at Cedar City for another two-year period, either with or without subsidy support.

However, we have recently had inquiries from other parties interested in submitting a proposal to serve the Cedar City market. Therefore, with the probability of our receiving competing proposals, our program practice is to initiate a carrier selection case immediately for Cedar City by formally requesting proposals from all interested carriers.

On a separate procedural track, we have already requested proposals from interested carriers to provide essential air service at Vernal, Utah, because we had received interest from competing carriers to serve that route also (see Order **99-10-24**).

Essential Air Service at Cedar City

Essential air service at Cedar City is defined as at least two nonstop or one-stop round trips each weekday and each weekend period to Salt Lake City, providing at least **25** seats in each direction each service day. Under essential air service guidelines, this service must be provided with pressurized aircraft having at least **15** passenger seats.¹

In **1998**, **SkyWest** carried a total of **14,700 O&D** passengers in the Cedar City-Salt Lake City market, an average of **47.0** per day. This represented an increase of almost **26** percent over **1997**, when it carried **11,691 O&D** passengers, or an average of **37.4** per day.

Request for Proposals

We request that any carriers interested in providing essential air service at Cedar City file their proposals within **20** days of the service date of this order. We ask that carriers **submit** proposals for two, three or four nonstop round trips per service day to Salt Lake City, with **15-seat**, or larger, pressurized aircraft. Carriers may also wish to consider a service package that includes both Cedar City and Vernal. In order to assist carriers in making their **traffic** and revenue forecasts, we have included historical **traffic** data in Appendix A.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under **49 U.S.C. 41734(f)** and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section **14 CFR 204.4** of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air **service**.²

Community and State Comments

The community and the State are welcome to submit comments on the proposals at any **time**.³ Early in the proceeding, comments on the perceived strengths and weaknesses of

¹ Department of Transportation Order **89-4-59**.

² Copies of these documents can be obtained from: **EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, SW., Washington, DC 20590**. Telephone requests for these documents are accepted at **(202) 366-1053**.

³ Civic parties should file an original and five copies of their comments in Docket **OST-97-2706**. This filing should be addressed to: Docket Operations and Media Management Division, **SVC-124, Office of the**

the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final **comments**.⁴

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and **nondiscrimination**.⁵ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed **\$100,000** over the life of the rate term must also **certify** that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements, as well as copies of the certifications, should contact the Office of Aviation Analysis at **(202) 366-1053**. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

Extension of Date for Filing Proposals at Vernal, Utah

By Order **99-10-24**, issued October 27, 1999, the Department requested proposals for replacement essential air service at Vernal, Utah. Both Vernal and Cedar City currently receive service **from SkyWest**, and both subsidy rates are due to expire on December 27.

In view of the fact that the same carrier or carriers filing proposals for Cedar City may wish to combine proposals for both communities in one package, we will extend the date for submission of proposals for service at Vernal, set by Order **99-10-24**, until 20 days after the service date of this order.

Secretary, U.S. Department of Transportation, Room **PL 401, 400** Seventh Street, **S.W.**, Washington **D.C. 20590**.

⁴ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

⁵ The regulations applicable to each of these areas are **(1) 49 CFR Part 20**, New Restrictions on Lobbying, Implementing title 3 **1**, United States Code, section **1352**, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; **(2) 49 CFR Part 29**, Subpart **F**, Drug-Free Workplace Requirements (Grants) implementing the Drug-Free Workplace Act of **1988**; **(3) 49 CFR Part 21**, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation--Effectuation of Title VI of the Civic Rights Act of **1964**; **49 CFR Part 27**, Nondiscrimination on the basis for Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and **14 CFR Part 382**, Nondiscrimination on the Basis of Handicap in Air Travel.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Cedar City, Utah, submit their proposals, with or without requests for subsidy, within **20** days of the service date of this order. An original and five copies of the proposal should be sent to the **EAS** and Domestic Analysis Division, **X-53**, Office of Aviation Analysis, Room **6401**, Department of Transportation, **400 7th Street, S.W.**, Washington, **D.C. 20590**, with the title: "Proposal to Provide Essential Air Service at Cedar City, Utah, Docket **OST-97-2706**;"⁶
2. We extend the date established by Order **99-10-24** for the submission of carrier proposals for the provision of essential air service at Vernal, Utah, until **20** days after the service date of this order;
3. This docket will remain open until further Department order; and
4. We will serve a copy of this order on the mayors and airport managers of Cedar City and Vernal, Utah, the Governor of Utah, the Utah Department of Transportation, **SkyWest** Airlines, and the carriers listed in Appendix **B**.

By:

A. BRADLEY MIMS

Deputy Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at
<http://dms.dot.gov>*

The electronic version may not contain all of the appendixes

⁶ After serving a copy of its proposal on the civic officials of Cedar City, the State of Utah, and the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, **SVC-124**. Questions regarding filings in response to this order may be directed to John **McCamant** at (202) 366-1060.

HISTORICAL TRAFFIC AT CEDAR CITY, UTAH

		<u>CDC-SLC</u>	<u>SLC-CDC</u>	<u>TOTAL</u>	<u>O&D Per Day</u>	<u>1/</u>
1993	1	1,227	1,270	2,497		
	2	1,374	1,373	2,747		
	3	1,765	1,737	3,502		
	4	<u>1,284</u>	<u>1,365</u>	<u>2,649</u>		
		5,650	5,745	11,395	36.4	
1994	1	1,192	1,182	2,374		
	2	1,495	1,500	2,995		
	3	1,709	1,691	3,400		
	4	<u>1,463</u>	<u>1,379</u>	<u>2,842</u>		
		5,859	5,752	11,611	37.1	
1995	1	1,343	1,348	2,691		
	2	1,540	1,618	3,158		
	3	1,786	1,799	3,585		
	4	<u>1,448</u>	<u>1,470</u>	<u>2,918</u>		
		6,117	6,235	12,352	39.5	
1996	1	1,304	1,289	2,593		
	2	1,483	1,530	3,013		
	3	1,594	1,559	3,153		
	4	<u>1,295</u>	<u>1,290</u>	<u>2,585</u>		
		5,676	5,668	11,344	36.2	
1997	1	1,233	1,266	2,499		
	2	1,448	1,468	2,916		
	3	1,507	1,442	2,949		
	4	<u>1,690</u>	<u>1,637</u>	<u>3,327</u>		
		5,878	5,813	11,691	37.4	
1998	1	1,459	1,426	2,885		
	2	2,077	2,084	4,161		
	3	2,161	2,108	4,269		
	4	<u>1,738</u>	<u>1,647</u>	<u>3,385</u>		
		7,435	7,265	14,700	47.0	
1999	1	1,613	1,566	3,179		
	2	1,957	1,999	3,956		
	3					
	4					

Source: SkyWest Airlines Form 298C.

SERVICE LIST FOR THE STATE OF UTAH

Air L.A., Inc.
Air Nevada Airlines, Inc.
Air Vegas, Inc.
Alpine Aviation, Inc.
Amerijet International, Inc.
Arizona Airways, Inc.
Arizona Pacific Airlines, Inc.
Aspen Airways, Inc.
Aviation Services West, Inc.
Barken International, Inc.
Big Sky Transportation Co.
Delta Connection
Empire Airlines, Inc.
Grand Airways, Inc.
Grand Canyon Airlines, Inc.
Martin Aviation, Inc.
Mesa Air Group
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Northern Tier Airlines, Inc.
Northwest Airlink
Pacific Air West, Inc.
Rocky Mountain Helicopters, Inc.
Sierra Nevada Airways, Inc.
Sunrise Airlines, Inc.
Wing West Airlines, Inc.

Ken Bannon
E.B Freeman
A. Edward Jenner
John McFarlane
Bill Oakes
Andy Pike
Richard A. Raymer
Kevin Thomas
Gary L. White